



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE **FILED**  
STATE OF CALIFORNIA  
09-06-07  
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Order Instituting Rulemaking into )  
Implementation of Public Utilities Code Section )  
390 )  
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R.99-11-022  
(filed November 18, 1999)

**FILING OF SOUTHERN CALIFORNIA EDISON COMPANY (U338-E),  
MONTHLY REPORT ON AVOIDED COST ENERGY PRICING EFFECTIVE  
SEPTEMBER 1, 2007 – SEPTEMBER 30, 2007 PURSUANT TO D.01-03-067**

DOUGLAS K. PORTER  
GLORIA M. ING

Attorneys for  
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue  
Post Office Box 800  
Rosemead, California 91770  
Telephone: (626) 302-1999  
Facsimile: (626) 302-3990  
E-mail: gloria.ing@sce.com

September 2007

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE  
STATE OF CALIFORNIA**

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**FILING OF SOUTHERN CALIFORNIA EDISON COMPANY (U338-E),  
MONTHLY REPORT ON AVOIDED COST ENERGY PRICING EFFECTIVE  
SEPTEMBER 1, 2007 – SEPTEMBER 30, 2007 PURSUANT TO D.01-03-067**

Pursuant to the California Public Utilities Commission’s (“CPUC” or “Commission”) Decision Nos. 02-10-009 and D. 01-03-067, attached is SCE’s filing of the Monthly Report on Avoided Cost Energy Pricing effective September 1, 2007 through September 30, 2007. The effective date of this posting is September 1, 2007. This posting is made in compliance with the revised formula adopted by the Commission on March 27, 2001, in Decision No. 01-03-067 and D. 02-10-009. Notwithstanding this posting made in compliance with such decision, SCE reserves all rights and remedies available to it to continue to contest the lawfulness of the Commission’s short-run avoided cost methodology, as so revised.

Questions regarding the calculations themselves may be directed to Eric Lavik at the address below or (626) 302-9568.

Respectfully submitted,

/s/ Gloria M. Ing

BY: Gloria M. Ing  
SOUTHERN CALIFORNIA EDISON  
COMPANY

2244 Walnut Grove Avenue  
P. O. Box 800  
Rosemead, CA. 91770  
Telephone: (626) 302-1999  
Facsimile: (626) 302-3990;  
E-mail: [Gloria.ing@sce.com](mailto:Gloria.ing@sce.com)

## **CERTIFICATE OF SERVICE**

I hereby certify that, pursuant to the Commission's Rules of Practice and Procedure, I have this day served a true copy of the **FILING OF SOUTHERN CALIFORNIA EDISON COMPANY (U338-E), MONTHLY REPORT ON AVOIDED COST ENERGY PRICING EFFECTIVE SEPTEMBER 1, 2007 – SEPTEMBER 30, 2007, PURSUANT TO D.01-03-067** on all parties identified on the attached service list. Service was effected by one or more means indicated below:

Placing the copies in sealed envelopes and causing such envelopes to be delivered by hand or by overnight courier to the offices of the Commission or other addressee(s).

Directing Reprographics to place the copies in properly addressed sealed envelopes and to deposit such envelopes in the United States mail with first-class postage prepaid to all parties.

Executed this **6th day of September, 2007** at Rosemead, California.

/s/ Melissa Schary  
**Melissa Schary**  
**Project Analyst**  
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue  
Post Office Box 800  
Rosemead, California 91770



**SHORT RUN AVOIDED COST ENERGY PRICE UPDATE  
FOR QUALIFYING FACILITIES  
Filed September 6, 2007  
Effective September 1, 2007 - September 30, 2007**

Enclosed are the capacity and energy price schedules for purchases from Qualifying Facilities pursuant to Standard Offers and other contracts with Southern California Edison Company, effective September 1, 2007 - September 30, 2007

This posting is made in compliance with the revised formula adopted by the Commission on March 27, 2001 in Decision No. 01-03-067. Notwithstanding this posting made in compliance with such decision, SCE reserves all rights and remedies available to it to continue to contest the lawfulness of the Commission's short-run avoided cost methodology, as so revised.

**GENERAL INFORMATION**

If you have any questions, please direct your inquiries to Southern California Edison Company, QF Resources, P.O. Box 800, Rosemead, California 91770. Or you may call the QF Information Line at (626) 302-1950. SCE's SRAC Posting may be viewed electronically at SCE's home page <http://www.sce.com/AboutSCE/Regulatory/qualifyingfacilities/dataanddocuments.htm>

**AVOIDED COST CAPACITY PRICES FOR QUALIFYING FACILITIES**

Pursuant to California Public Utilities Commission ("CPUC") Decision 96-12-051, the Capacity Schedule for As-Available Capacity for Standard Offer Nos. 1 and 3 reflects SCE's shortage cost of \$4.93/kW-year, which is based on an Energy Reliability Index of 0.1. Shortage costs are determined by adjusting the costs avoided by deferral of combustion turbines using an Energy Reliability Index and will remain in effect until revised pursuant to the Commission's directions. The schedule includes future escalations of capital costs and operation and maintenance costs. Per D.82-01-103, capacity payments are reduced 50% for projects under Standard Offer No. 3 with no time of delivery meters.

**CAPACITY PAYMENT SCHEDULE FOR AS-AVAILABLE POWER PURCHASES**

<b>Time Differentiated Payments</b>		<b>Non-Time Differentiated Payments</b>	
Costing Period	Capacity Payments (cents/kWh)	Costing Period	Capacity Payments (cents/kWh)
Summer: On-Peak	0.70	Summer	0.07
Mid-Peak	0.08		
Off-Peak	0.00		
Winter : Mid-Peak	0.03	Winter	0.01
Off-Peak	0.00		
Super-Off-Peak	0.00		

**MONTHLY CONVERSION FACTORS**

The factors to convert annual capacity prices (\$/kW-year) to time period of delivery prices are as follows:

	On-Peak	Mid-Peak	Off-Peak	Super-Off-Peak
Summer	0.1792	0.0310	0.0006	-
Winter	-	0.0178	0.0011	0.0007

Southern California Edison Company  
**SHORT RUN AVOIDED COST**  
**ENERGY PRICE UPDATE**  
**FOR QUALIFYING FACILITIES**  
Pursuant to D.96-12-028, as modified by D.01-03-067  
September 1, 2007 - September 30, 2007

**SRAC Formula**

$$P_n = \{P_{Base} + (P_{Base} * \frac{(G_{Pn} - G_{PBase})}{G_{PBase}} * Factor)\} * TOU$$

Values will be adjusted for line losses  
in accordance with D.01-01-007

	SRAC Methodology	
	Winter	Summer
On-Peak	-	7.8781
Mid-Peak	-	6.0345
Off-Peak	-	4.7133
Super-Off-Peak	-	-
Time Period Weighted Average	-	5.5282

Pn	=	Energy price in cents/kWh which is calculated based on substituting the variables below into the SRAC formula.	
PBase	=	Base Energy Price	2.0808 cents/kWh
G <sub>Pn</sub>	=	The simple average of natural gas market price indices from Natural Gas Week, Natural Gas Intelligence and BTU's Daily Gas Wire at the Malin, Oregon location, plus PG&E G-AAOFF tariff rate.	
		<div style="text-align: right;"> Simple Average <div style="display: inline-block; border-bottom: 1px solid black; padding: 0 5px;">Malin</div> </div> <div style="text-align: right;"> Shrink (0.90%) <div style="display: inline-block; border-bottom: 1px solid black; padding: 0 5px;">4.9433</div> </div> <div style="text-align: right;"> PG&amp;E Tariff G-AAOFF <div style="display: inline-block; border-bottom: 1px solid black; padding: 0 5px;">0.0449</div> </div> <div style="text-align: right;"> <div style="display: inline-block; border-bottom: 1px solid black; padding: 0 5px;">0.3772</div> </div>	5.3654 \$/MMBtu
G <sub>PBase</sub>	=	Base Gas Price	1.3975 \$/MMBtu
G <sub>Tn</sub>	=	Intrastate Transportation	
		<div style="text-align: right;"> GT-F5 <div style="display: inline-block; border-bottom: 1px solid black; padding: 0 5px;">0.3892</div> </div> <div style="text-align: right;"> ITCS <div style="display: inline-block; border-bottom: 1px solid black; padding: 0 5px;">-0.0033</div> </div> <div style="text-align: right;"> G-MSUR <div style="display: inline-block; border-bottom: 1px solid black; padding: 0 5px;">0.015534 * 0.984466 * 5.1037</div> </div> <div style="text-align: right;"> <div style="display: inline-block; border-bottom: 1px solid black; padding: 0 5px;">0.0780</div> </div>	0.4639 \$/MMBtu
IER	=	Incremental Energy Rate	9140 Btu/kWh
O&M	=	Variable Operations and Maintenance adder	0.2000 cents/kWh
Factor	=	$\frac{((IER * (G_{Pn} + G_{Tn}))/10,000) + O\&M}{P_{Base} * ((G_{Pn} - G_{PBase})/G_{PBase})}$	0.5835
TOU	=	<u>Summer On-Peak</u> <u>Summer Mid-Peak</u> = ( Total # hrs in month - (1.4251 * # Summer On-Peak hrs in month) - (0.8526 * # Summer Off-Peak hrs in month) ) / # Summer Mid-Peak hrs in month <u>Summer Off-Peak</u>  <u>Winter Mid-Peak</u> <u>Winter Off-Peak</u> = ( Total # hrs in month - (1.2185 * # Winter Mid-Peak hrs in month) - (0.7760 * # Winter Super-Off-Peak hrs in month) ) / # Winter Off-Peak hrs in month <u>Winter Super-Off-Peak</u>	1.4251  1.0916  0.8526  1.2185  0.0000  0.7760

**SEASON AND TIME PERIOD DEFINITIONS**

Time Period	Summer June 1 - September 30	Winter October 1 - May 31		# of Hours 9/1/07 - 9/30/2007	
				Winter	Summer
On-Peak	Noon - 6:00 p.m.	n/a	Weekdays except Holidays	0	114
Mid-Peak	8:00 a.m. - Noon	8:00 a.m. - 9:00 p.m.	Weekdays except Holidays	0	76
	6:00 p.m. - 11:00 p.m.		Weekdays except Holidays	0	95
Off-Peak	11:00 p.m. - 8:00 a.m.	6:00 a.m. - 8:00 a.m.	Weekdays except Holidays	0	171
		9:00 p.m. - Midnight	Weekdays except Holidays	0	0
	Midnight - Midnight	6:00 a.m. - Midnight	Weekends & Holidays	0	264
Super-Off-Peak	n/a	Midnight - 6:00 a.m.	Weekdays, Weekends & Holidays	0	0
			Total	0	720

2007 Holidays: New Year's Day (1/1), Presidents' Day (2/19), Memorial Day (5/28), Independence Day (7/4), Labor Day (9/3), Veterans Day (11/11), Thanksgiving Day (11/22) and Christmas Day (12/25). When any holiday listed above falls on Sunday, the following Monday will be recognized as an off-peak period. No change will be made for holidays falling on Saturday.

**R.99-11-022 BRPU**

Thursday, September 6, 2007

CASE ADMINISTRATION  
SOUTHERN CALIFORNIA EDISON COMPANY  
2244 WALNUT GROVE AVENUE  
ROSEMEAD, CA 91770  
R.99-11-022 BRPU

TOM BEACH  
CROSSBORDER ENERGY  
2560 NINTH STREET, SUITE 213A  
BERKELEY, CA 94710-2557  
R.99-11-022 BRPU

JERRY R. BLOOM  
ATTORNEY AT LAW  
WINSTON & STRAWN LLP  
333 SOUTH GRAND AVENUE, 38TH FLOOR  
LOS ANGELES, CA 90071-1543  
R.99-11-022 BRPU

Roderick A Campbell  
CALIF PUBLIC UTILITIES COMMISSION  
770 L STREET, SUITE 1050  
SACRAMENTO, CA 95814  
R.99-11-022 BRPU

Scott Cauchois  
CALIF PUBLIC UTILITIES COMMISSION  
505 VAN NESS AVENUE  
ROOM 4209  
SAN FRANCISCO, CA 94102-3214  
R.99-11-022 BRPU

JOHN D CHANDLEY  
CALIFORNIA ENERGY COMMISSION  
1516 NINTH STREET MS 14  
SACRAMENTO, CA 95184  
R.99-11-022 BRPU

DOUG DAVIE  
WELLHEAD ELECTRIC COMPANY  
650 BERCUT DRIVE, SUITE C  
SACRAMENTO, CA 95814  
R.99-11-022 BRPU

Janet A. Econome  
CALIF PUBLIC UTILITIES COMMISSION  
505 VAN NESS AVENUE  
ROOM 5116  
SAN FRANCISCO, CA 94102-3214  
R.99-11-022 BRPU

MARK FILLINGER  
ENRON ENERGY SERVICE  
1400 SMITH ST #ECN1216  
HOUSTON, TX 77002-7327  
R.99-11-022 BRPU

KAREN GRIFFIN  
EXECUTIVE OFFICE  
CALIFORNIA ENERGY COMMISSION  
1516 9TH STREET, MS 39  
SACRAMENTO, CA 95814  
R.99-11-022 BRPU

JOHN W GULLEDGE  
LOS ANGELES COUNTY SANITATION DIST  
PO BOX 4998  
WHITTIER, CA 90607  
R.99-11-022 BRPU

LYNN M. HAUG  
ATTORNEY AT LAW  
ELLISON & SCHNEIDER  
2015 H STREET  
SACRAMENTO, CA 95814  
R.99-11-022 BRPU

TERESA HORTINELA  
ADMINISTRATIVE LAW JUDGE  
CPUC  
505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102  
R.99-11-022 BRPU

ARLENE L ICHIEN  
CALIFORNIA ENERGY COMMISSION  
1516 NINTH STREET MS14  
SACRAMENTO, CA 95814  
R.99-11-022 BRPU

GLORIA M. ING  
ATTORNEY AT LAW  
SOUTHERN CALIFORNIA EDISON COMPANY  
2244 WALNUT GROVE AVENUE  
ROSEMEAD, CA 91770  
R.99-11-022 BRPU

STEVEN KELLY  
INDEPENDENT ENERGY PRODUCERS ASSN  
1215 K STREET, SUITE 900  
SACRAMENTO, CA 95814-3947  
R.99-11-022 BRPU

DOUGLAS K. KERNER  
ATTORNEY AT LAW  
ELLISON, SCHNEIDER & HARRIS LLP  
2015 H STREET  
SACRAMENTO, CA 95814  
R.99-11-022 BRPU

Robert Kinonian  
CALIF PUBLIC UTILITIES COMMISSION  
505 VAN NESS AVENUE  
ROOM 4205  
SAN FRANCISCO, CA 94102-3214  
R.99-11-022 BRPU

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Thursday, September 6, 2007

SUZANNE KOROSEC  
CALIFORNIA ENERGY COMMISSION  
1516 9TH STREET  
MS-45  
SACRAMENTO, CA 95184  
R.99-11-022 BRPU

MERRILL L. KRAMER  
CHADBOURNE & PARKE LLP  
1200 NEW HAMPSHIRE, AVE. N.W.  
WASHINGTON, DC 20036  
R.99-11-022 BRPU

TAN LEE-WHEI  
CPUC  
505 VAN NESS AVENUE RM4-A  
SAN FRANCISCO, CA 94102  
R.99-11-022 BRPU

FRANK J MAZANEC  
CALIF PRISON INDUSTRY AUTHORITY  
651 WINDMILL RANCH ROAD  
OLIVERMAIN, CA 92024  
R.99-11-022 BRPU

STEVEN A MCARTHUR  
CALIFORNIA ENERGY COMPANY  
302 S 36TH STREET SUITE 400  
OMAHA, NE 68131-3845  
R.99-11-022 BRPU

SANFORD MILLER  
CALIFORNIA ENERGY COMMISSION  
1516 NINTH STREET, MS 45  
SACRAMENTO, CA 95814  
R.99-11-022 BRPU

ANGELA MINKIN  
ADMINISTRATIVE LAW JUDGE  
CALIFORNIA PUBLIC UTILITIES  
COMMISSION  
505 VAN NESS AVENUE, ROOM 5116  
SAN FRANCISCO, CA 94102  
R.99-11-022 BRPU

James E. Scarff  
CALIF PUBLIC UTILITIES COMMISSION  
505 VAN NESS AVENUE  
ROOM 5121  
SAN FRANCISCO, CA 94102-3214  
R.99-11-022 BRPU

ROBERT C SONES  
OGDEN GEOTHERMAL OPERATIONS  
947 DOGWOOD ROAD  
HEBER, CA 92249  
R.99-11-022 BRPU

SUSAN G. TRAUTMANN  
SIERRA PACIFIC POWER COMPANY  
6226 WEST SAHARA AVENUE  
LAS VEGAS, NV 89151  
R.99-11-022 BRPU

John S. Wong  
CALIF PUBLIC UTILITIES COMMISSION  
505 VAN NESS AVENUE  
ROOM 5106  
SAN FRANCISCO, CA 94102-3214  
R.99-11-022 BRPU

Hallie Yacknin  
CALIF PUBLIC UTILITIES COMMISSION  
505 VAN NESS AVENUE  
ROOM 5003  
SAN FRANCISCO, CA 94102-3214  
R.99-11-022 BRPU

ENERGY DIVISION  
CPUC  
505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3214  
R.99-11-022 BRPU